Consumer Confidence Survey

- *Business*
- *Employment*
- *Income*
- *Inflation*
- *Interest Rates*
- *Stock Prices*

December 1989

CONFIDENCE DOWN MODERATELY BUT STILL HIGH

The measure of consumer confidence registered a small loss in November, but it still remains at a reassuringly strong level. The latest Index (1985 = 100) reading is 114.3, a loss of less than three points for the month. People are now slightly less positive in their assessment of ongoing business conditions and the employment situation and also slightly less optimistic in their expectations for the coming six months.

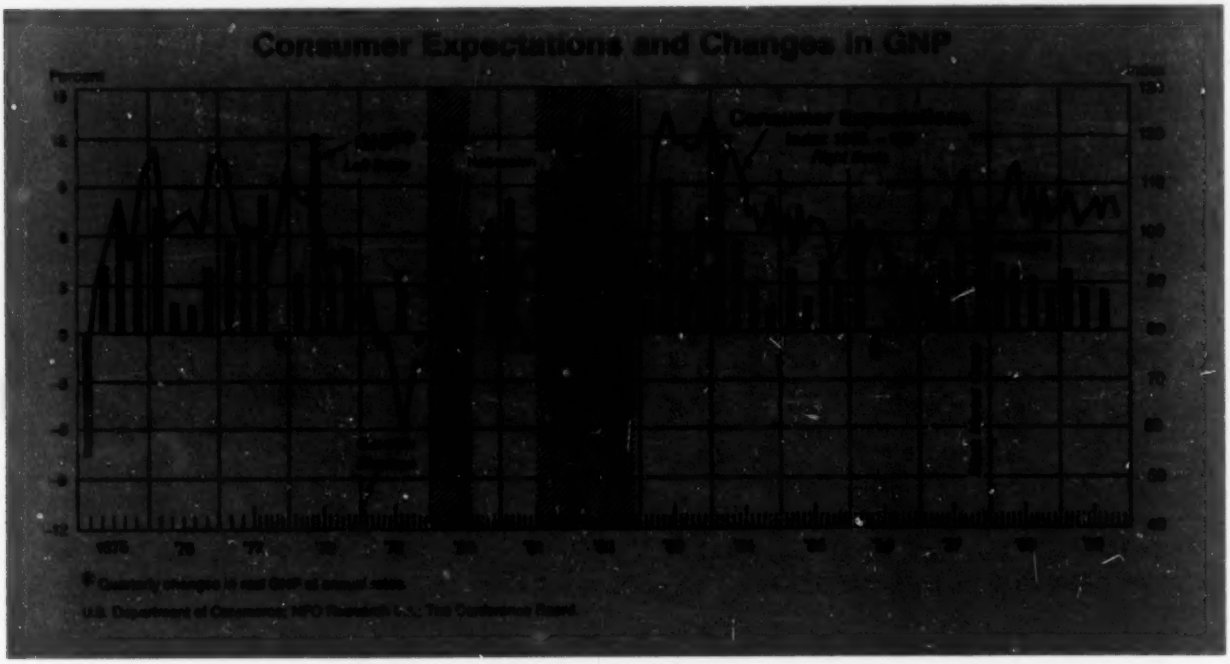
In November, some 26% of all survey respondents said that prevailing business conditions were "good," which is down 2 points from the month before. Some 29% reported that jobs were "plentiful," a marginal decline from the immediately preceding probe.

In looking ahead to the next six months, 17% of all respondents expect business conditions to improve and 16% anticipate an increase in job availability. Both these figures are fractionally less positive than in the past few months. Despite these readings, however, there has been no significant change in consumers' expectations concerning their own financial circumstances for the immediate months ahead.

Buying plans for automobiles and homes have changed very little. In November, 6.8% of all respondents indicated that they would buy an automobile in the next six months, which is about the same figure as reported in the previous survey. Recent readings have been running below the long-term average. Interest in homes is also feeble, despite the easing in mortgage rates. Only 3% of those contacted intend to purchase a home in the months ahead. Interest in major appliances has dropped quite sharply. However, this series is erratic, and hence too much emphasis should not be placed on a single month's figure.

Although confidence in November was slightly lower than a month earlier, consumers are entering the Christmas shopping season in reassuringly high spirits. Although business has shown some signs of slowing in recent months, the softness is limited to few industries. Still, the economic realities of the ordinary person continue to be very favorable. Unemployment is low, inflation is moderate, and interest rates are declining. This adds up to a comfortable climate for the consumer. Certainly, it suggests that the outlook for holiday sales is reasonably good. Lively Christmas spending could provide thrust to the economy as we enter the new year.

Fabian Linden



Confidence and Buying Plans

Based on surveys conducted by NFO Research, Inc.
Percentage of all households = 100%

Business | Employment | Income

All series seasonally adjusted	1988 Nov.	1988 Dec.	1989 Jan.	1989 Feb.	1989 Mar.	1989 Apr.	1989 May	1989 June	1989 July	1989 Aug.	1989 Sep.	1989 Oct.(r)	1989 Nov.(p)
Composite Series: Index Numbers, 1985=100													
Consumer Confidence Index	112.9	119.4	115.8	120.7	117.4	116.6	116.7	117.2	120.4	115.4	116.3	117.0	114.3
Present Situation	129.1	140.1	133.4	139.2	136.2	138.9	137.2	135.5	141.1	133.0	131.7	133.0	131.4
Expectations	102.0	105.6	104.1	108.3	104.9	101.8	103.0	105.1	106.6	103.7	106.1	106.4	102.9
Appraisal of Present Situation: Percent													
Business Conditions													
Good	30.2	32.5	29.1	30.6	28.4	28.9	30.1	28.3	31.6	27.5	27.1	28.0	26.0
Bad	17.6	15.5	18.2	16.9	16.1	16.4	16.5	17.2	15.5	17.4	16.9	16.9	15.3
Normal	52.2	52.0	52.7	52.5	55.5	54.7	53.4	54.5	52.9	55.1	56.0	55.1	58.7
Employment													
Jobs plentiful	29.9	33.7	33.0	34.3	32.8	34.5	34.1	33.2	33.1	31.6	30.4	30.4	29.2
Jobs not so plentiful	47.1	45.5	45.8	45.8	46.7	45.7	44.8	46.4	47.6	48.1	48.9	49.4	50.1
Jobs hard to get	23.0	20.8	21.2	19.9	20.5	19.8	21.1	20.4	19.3	20.3	20.7	20.2	20.7
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	18.6	19.6	17.7	20.9	17.9	17.3	20.7	20.1	18.8	18.3	18.3	19.5	17.4
Worse	8.4	7.5	7.7	7.3	8.0	8.8	8.9	8.7	8.4	8.3	7.5	7.9	8.3
Same	73.0	72.9	74.6	71.8	74.1	73.9	70.4	71.2	72.8	73.4	74.2	72.6	74.3
Employment													
More jobs	15.9	17.2	17.1	17.0	15.9	15.4	18.9	17.9	18.6	17.2	17.4	17.3	16.0
Fewer jobs	14.7	14.4	14.5	12.8	12.7	13.1	15.6	14.2	13.2	14.3	13.8	13.7	14.0
Same	69.4	68.4	68.4	70.2	71.4	71.5	65.5	67.9	68.2	68.5	68.8	69.0	70.0
Income													
Increase	27.3	27.8	25.6	26.3	25.2	25.8	26.5	27.0	27.3	26.1	28.5	27.7	28.4
Decrease	6.9	6.7	6.2	6.3	6.1	7.0	8.1	6.7	6.8	6.6	6.6	6.3	6.7
Same	65.8	65.5	68.2	67.4	68.7	67.2	65.4	66.3	65.9	67.3	64.9	66.0	64.9
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	7.3	7.4	7.3	7.9	7.1	7.3	8.5	6.7	7.1	7.4	8.1	6.7	6.8
New	3.4	3.3	3.5	3.8	4.0	4.0	4.0	3.6	3.6	4.2	3.6	3.7	3.1
Used	3.0	3.3	2.9	3.2	2.7	2.7	3.2	2.5	2.4	2.6	3.3	2.2	3.0
Uncertain	0.9	0.8	0.9	0.9	0.4	0.6	1.3	0.6	1.1	0.6	1.2	0.8	0.7
Home													
Yes	3.1	3.8	3.0	2.9	3.1	3.2	3.4	3.3	3.7	3.5	3.1	3.3	3.0
New	1.0	0.9	0.6	1.0	0.7	1.0	0.9	0.6	1.1	1.1	0.9	1.0	1.0
Lived in	1.5	1.9	1.2	1.2	1.5	1.5	1.4	1.8	1.8	1.6	1.4	1.4	1.4
Uncertain	0.6	1.0	1.2	0.7	0.9	0.7	1.1	0.9	0.8	0.8	0.8	0.9	0.6
Major appliances													
Total plans	27.9	28.9	28.0	26.2	28.4	31.6	27.4	26.8	30.5	28.3	27.4	31.1	24.4
Refrigerator	4.1	4.3	5.4	4.9	4.3	5.4	4.5	4.6	4.4	4.0	4.1	4.7	3.6
Washing machine	3.0	3.7	3.7	3.2	4.2	4.2	3.1	3.4	4.5	3.9	3.5	4.8	3.6
TV Set	6.5	7.5	5.7	5.8	6.4	7.0	6.8	5.3	8.0	6.9	6.6	7.5	5.8
Vacuum Cleaner	4.8	4.7	4.3	4.2	4.9	4.7	5.2	5.0	4.8	5.8	4.7	4.9	4.4
Range	2.7	2.8	3.0	2.6	2.5	3.5	2.8	2.5	3.3	2.5	2.4	3.3	2.6
Clothes dryer	3.2	3.3	3.0	2.9	4.0	3.8	2.6	3.7	3.3	3.3	2.8	3.9	2.9
Air conditioner	3.6	2.6	2.9	2.6	2.1	3.0	2.4	2.3	2.2	1.9	3.3	2.0	1.5
Carpet	6.6	6.6	6.8	5.4	6.3	6.7	6.7	5.9	7.6	6.9	6.0	6.9	5.5
Vacation Intended Within Six Months: Percent													
Vacation Intended		48.5		45.3		46.8		45.7		50.2		49.0	
Destination													
U.S.		41.6		41.1		38.6		40.8		42.8		41.8	
Foreign country		8.7		8.8		8.1		8.4		9.4		8.6	
Means of travel													
Automobile		28.2		27.0		26.8		27.7		30.1		28.9	
Airplane		18.4		19.0		17.0		18.4		18.8		18.0	
Other		3.5		4.4		4.1		4.5		4.0		4.2	

(p)—preliminary (r)—revised

ATTENTION DATA USERS: Data in this publication are available online. For information, phone (212) 759-0900 Ext. 216.

Not seasonally adjusted	1988 Nov.	1988 Dec.	1989 Jan.	1989 Feb.	1989 Mar.	1989 Apr.	1989 May	1989 June	1989 July	1989 Aug.	1989 Sep.	1989 Oct.(r)	1989 Nov.(p)
Expectations for Twelve Months Hence: Percent													
Inflation Rate													
Average	4.7	4.7	4.6	4.8	4.8	5.1	4.9	4.7	4.8	4.7	4.7	4.8	4.7
Interest Rates													
Higher	65.1	78.2	73.7	71.8	79.9	76.4	69.9	57.3	52.4	44.9	52.4	56.0	52.8
Same	23.1	14.4	18.4	18.8	13.6	14.8	17.6	21.5	21.6	25.1	26.4	25.6	26.9
Lower	11.8	7.4	7.9	9.4	6.5	8.8	13.5	21.2	26.0	30.0	21.2	18.4	20.3
Stock Prices													
Increase	39.3	39.7	42.3	44.9	39.5	39.9	42.7	44.0	41.0	41.8	46.0	45.0	38.3
Same	36.0	33.3	34.7	33.5	34.3	35.9	33.3	34.6	34.9	34.7	32.7	33.3	36.2
Decrease	24.7	27.0	23.0	21.6	26.2	24.2	24.0	21.4	24.1	23.5	21.3	21.7	25.5

CONSUMER CONFIDENCE BY REGION

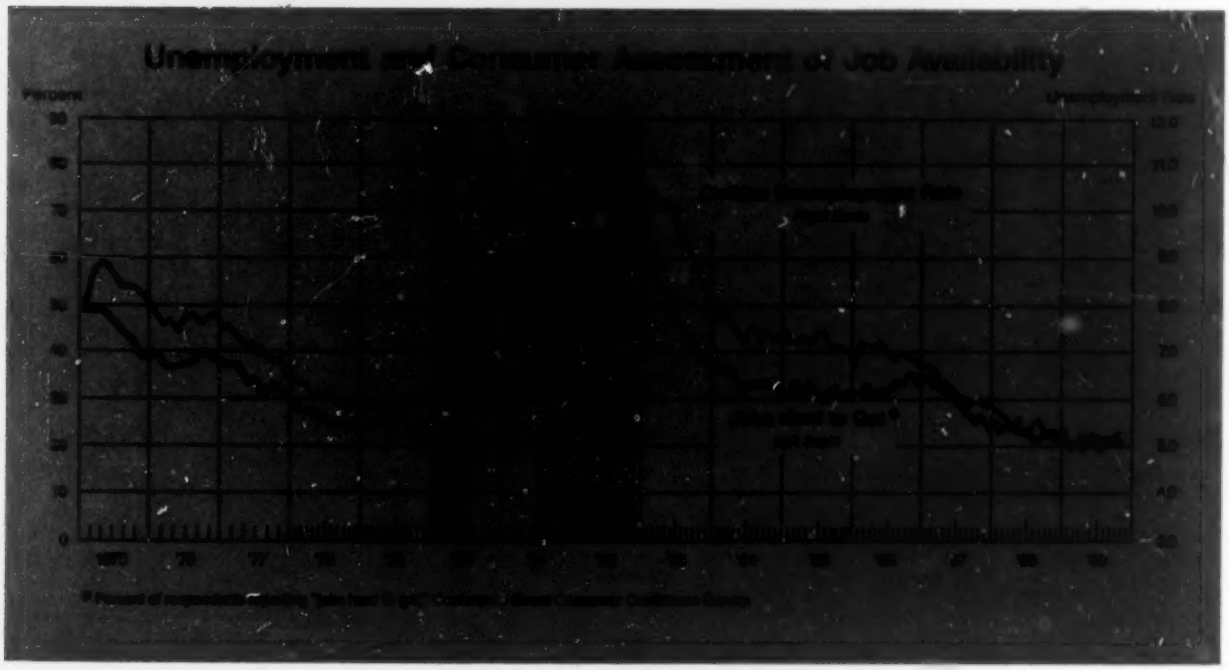
Seasonally unadjusted Index numbers 1985 = 100	1988 Nov.	1988 Dec.	1989 Jan.	1989 Feb.	1989 Mar.	1989 Apr.	1989 May	1989 June	1989 July	1989 Aug.	1989 Sep.	1989 Oct.(r)	1989 Nov.(p)	AVERAGE: Sept., Oct., Nov. 1988	AVERAGE: Sept., Oct., Nov. 1989	Percent Change*
NEW ENGLAND																
Consumer Confidence Index	144.1	140.7	135.5	149.5	144.2	138.5	129.7	118.3	123.4	113.7	117.5	116.3	96.3	144.9	110.1	-24.0
Present Situation	198.0	205.6	189.5	203.7	199.5	198.3	189.4	180.0	183.9	170.0	176.7	168.2	136.0	201.4	160.3	-20.4
Expectations	108.2	97.5	99.5	113.4	107.3	98.7	89.9	77.2	83.2	76.2	78.1	81.8	69.9	107.2	76.6	-28.6
MIDDLE ATLANTIC																
Consumer Confidence Index	113.7	124.9	122.1	124.9	117.3	117.8	112.6	122.1	116.1	114.5	120.8	119.2	121.5	120.9	120.5	- 0.3
Present Situation	143.2	164.0	147.1	153.4	142.6	150.7	137.8	155.9	150.1	144.5	149.8	151.1	152.2	148.4	151.0	1.7
Expectations	94.1	98.8	105.4	105.8	100.4	95.9	95.8	99.5	93.4	94.5	101.5	98.0	101.0	102.5	100.2	- 2.3
EAST NORTH CENTRAL																
Consumer Confidence Index	117.6	112.9	114.9	121.9	113.8	113.9	114.9	115.3	118.2	114.1	118.0	121.2	113.1	110.8	117.4	6.0
Present Situation	145.1	139.2	131.1	135.9	130.2	132.9	137.4	137.1	144.0	140.6	142.2	147.6	137.4	132.2	142.4	7.7
Expectations	99.3	95.5	104.2	112.6	102.9	101.2	100.0	100.8	101.0	96.4	101.9	103.6	97.0	96.5	100.8	4.5
WEST NORTH CENTRAL																
Consumer Confidence Index	88.6	93.4	98.9	100.3	102.2	89.4	80.4	84.5	97.7	93.7	91.6	113.0	112.5	90.8	105.7	16.4
Present Situation	97.4	103.9	106.1	91.6	99.9	101.0	94.2	95.5	118.5	101.1	110.9	131.1	119.3	97.8	120.4	23.2
Expectations	82.8	86.4	94.2	106.1	103.8	81.7	71.2	77.1	83.9	88.8	78.8	101.0	108.1	86.2	95.9	11.3
SOUTH ATLANTIC																
Consumer Confidence Index	139.1	133.5	131.7	134.5	137.0	134.0	133.7	140.1	141.6	136.9	136.5	140.2	137.3	139.9	138.0	- 1.3
Present Situation	170.6	175.4	167.5	167.0	170.7	171.9	165.3	172.8	178.2	170.6	166.6	174.1	172.8	172.0	171.1	- 0.5
Expectations	118.2	105.6	107.8	112.9	114.6	108.8	112.6	118.4	117.2	114.5	116.5	117.6	113.6	118.4	115.9	- 2.1
EAST SOUTH CENTRAL																
Consumer Confidence Index	102.1	94.3	107.2	108.5	111.6	88.9	106.5	100.1	103.7	88.8	101.0	101.9	107.4	104.4	103.4	- 0.9
Present Situation	102.1	104.9	96.2	89.7	100.2	92.2	114.4	94.8	95.2	82.1	100.2	102.6	103.1	100.1	102.0	1.8
Expectations	102.2	87.2	114.6	121.1	119.2	86.7	101.2	103.6	109.5	93.3	101.6	101.4	110.3	107.2	104.4	- 2.6
WEST SOUTH CENTRAL																
Consumer Confidence Index	67.3	79.7	84.6	83.8	77.0	82.6	77.4	79.0	88.5	78.4	85.9	87.5	79.2	75.3	84.2	11.8
Present Situation	27.4	34.5	30.1	35.2	30.3	38.8	44.2	46.0	59.9	41.8	45.8	47.5	55.0	33.0	49.4	49.6
Expectations	94.0	109.9	120.9	116.2	108.2	111.8	99.5	100.9	107.5	102.9	112.7	114.2	95.4	103.5	107.5	3.8
MOUNTAIN																
Consumer Confidence Index	91.8	106.1	76.5	86.7	100.6	92.6	90.5	91.7	82.5	85.6	98.2	94.0	95.9	87.0	96.1	10.4
Present Situation	66.5	90.9	50.0	43.7	80.4	77.3	75.1	70.6	68.1	71.2	87.7	70.4	71.8	72.5	76.6	5.7
Expectations	108.6	116.3	94.1	115.4	114.2	102.8	100.8	105.8	92.1	95.3	105.3	109.8	112.0	96.7	109.0	12.7
PACIFIC																
Consumer Confidence Index	133.7	133.7	128.2	138.2	130.0	131.3	134.9	134.6	135.3	133.5	135.6	142.7	132.9	128.7	137.1	6.5
Present Situation	169.4	170.7	157.5	164.0	157.6	165.5	173.2	171.3	171.3	170.3	173.7	178.1	167.4	162.1	173.1	6.7
Expectations	109.9	109.0	108.6	121.1	111.6	108.5	109.4	110.1	111.3	109.0	110.2	119.1	109.9	106.3	113.1	6.3

***Percent Change: Average of last three months shown as compared with same period year ago. Regional data are not adjusted for seasonal variations.**

CONSUMER CONFIDENCE BY AGE AND INCOME CLASS

Seasonally adjusted index numbers 1985 = 100	1988		1989											3 mos. Percent, Change*
	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct (r)	Nov (p)	
TOTAL U.S.														
Consumer Confidence Index	112.9	119.3	115.8	120.7	117.4	116.6	116.7	117.2	120.4	115.4	116.3	117.0	114.3	- 1.5
Present Situation	129.1	140.1	133.4	139.2	136.2	138.9	137.2	135.5	141.1	133.0	131.7	133.0	131.4	- 3.3
Expectations	102.0	105.6	104.1	108.3	104.9	101.8	103.0	105.1	106.6	103.7	106.1	106.4	102.9	0.0
AGE OF HOUSEHOLD HEAD														
Consumer Confidence Index														
Under 35	117.0	124.6	119.3	124.3	122.3	120.5	124.2	126.8	128.9	126.7	123.0	125.9	126.3	- 1.9
35-54	114.3	120.5	117.0	122.6	118.8	121.1	115.9	122.8	121.7	119.8	115.2	115.1	115.7	- 5.0
55 and over	106.2	112.8	109.1	113.6	109.5	106.9	110.4	102.6	111.9	100.8	109.1	109.0	103.2	1.9
Present Situation														
Under 35	128.9	143.5	133.5	143.6	138.1	144.3	136.3	145.6	146.3	143.7	141.3	142.6	142.5	- 2.1
35-54	130.8	143.5	134.8	139.1	137.5	143.6	141.9	142.7	142.2	138.0	125.7	131.9	134.7	- 7.3
55 and over	127.6	134.6	131.8	136.6	133.6	131.8	132.9	122.7	137.2	121.2	131.7	126.5	120.2	- 0.7
Expectations														
Under 35	109.0	112.3	109.7	111.4	111.7	104.6	116.2	114.4	117.4	115.4	110.8	114.8	115.6	- 1.8
35-54	103.3	105.3	105.1	111.3	106.3	106.2	98.5	109.6	108.0	107.8	108.5	103.9	103.1	- 3.0
55 and over	91.8	98.4	94.2	98.6	93.8	90.5	95.4	89.1	94.9	87.1	93.9	97.4	91.8	4.4
HOUSEHOLD INCOME														
Consumer Confidence Index														
Under $15,000	87.8	92.5	94.0	92.2	94.1	94.0	87.1	90.3	88.9	89.6	82.3	87.9	84.4	- 5.3
$15,000-24,999	115.2	115.9	105.2	120.6	107.6	114.3	113.0	109.0	121.7	113.5	113.0	107.3	113.9	- 2.9
$25,000 and over	124.2	131.7	129.6	134.5	131.4	128.2	131.5	132.1	133.8	127.3	130.2	129.9	126.8	- 1.6
Present Situation														
Under $15,000	91.7	95.0	90.0	88.2	94.8	99.4	88.5	90.7	94.8	92.0	84.4	86.2	83.6	- 8.4
$15,000-24,999	123.0	133.2	109.5	137.2	112.4	127.0	131.0	125.1	135.3	126.6	119.2	114.1	125.7	- 7.2
$25,000 and over	149.0	161.8	162.3	164.9	164.0	163.2	162.5	159.7	163.5	154.2	154.7	155.3	154.0	- 2.8
Expectations														
Under $15,000	85.2	91.3	96.1	93.8	92.9	90.2	86.2	90.4	85.1	88.2	81.3	89.4	85.1	- 3.0
$15,000-24,999	110.0	104.7	102.0	109.4	103.7	105.7	101.0	98.3	112.8	104.9	109.3	103.1	106.2	5.8
$25,000 and over	107.4	111.5	108.4	114.8	110.3	105.2	110.9	113.7	113.8	109.3	113.8	112.9	108.5	- 0.5

*Percent Change: Average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.



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